

U.S. Government Printing Office
Notes to Consolidated Financial Statements
September 30, 2000 and 1999

1. Organization:

The U.S. Government Printing Office (GPO), a Legislative Branch agency, was established by the public printing and documents statutes of Title 44 of the U.S. Code. Congress enacted this legislation to provide to the Federal government an economic and efficient means for the production and procurement of congressional and agency printing and binding, and for the dissemination of information to the public. The Public Printer, appointed by the President of the United States with the advice and consent of the U.S. Senate, oversees the operations of GPO. GPO discharges its responsibilities through the operation of a Revolving Fund and congressional appropriations.

2. Significant Accounting Policies:

A. Basis of Accounting

As allowed by the Federal Accounting Standards Advisory Board (FASAB), the accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America applicable to commercial enterprises.

B. Basis of Consolidation

The accompanying consolidated financial statements of GPO include the accounts of all funds under GPO control that have been established and maintained to account for the resources of GPO. All significant intra-agency balances and transactions have been eliminated in consolidation. In addition, beginning in Fiscal Year 1998, GPO established reimbursable agreements with the Census Monitoring Board and the Bi-Cameral Commission on the Future of Medicare. Under these continuing agreements, GPO, for a fee, provides administrative support services. Expenses incurred and the subsequent reimbursement to GPO have been removed from GPO's financial statements.

Intra-agency transactions that were eliminated to consolidate GPO financial statements for the years ended September 30, 2000 and 1999, consisted of the following:

| | (Dollars in thousands) | |
|--|------------------------|------------------|
| | 2000 | 1999 |
| Printing and reproduction: | | |
| Congressional printing and binding | \$81,064 | \$76,554 |
| Sales of publications | 12,887 | 13,406 |
| Salaries and expenses | 13,475 | 15,206 |
| GPO internal use | 374 | 575 |
| Total printing and reproduction | 107,800 | 105,741 |
| Data processing | 2,339 | 1,948 |
| Miscellaneous | 753 | 808 |
| Total | \$110,892 | \$108,497 |

In addition, there is an elimination within the In-house Printing Program of revenues and expenses for services and other internal transactions (*e.g.*, internal-use forms, electronic repairs) provided to and by the In-house Printing Operations. This elimination was \$9,535,000 and \$9,285,000 for the years ended September 30, 2000 and 1999, respectively.

C. Methods of Funding

- **Revolving Fund** accounts are established to finance a continuing cycle of operations with receipts derived from operations. The GPO Revolving Fund is used to finance two major GPO programs: Printing and Binding Operations and Sales of Publications Operations.

Printing and Binding Operations accounts record transactions related to printing and binding performed for customer agencies and Congress. Sales of Publications Operations accounts are used to record transactions related to the sale of government publications and the distribution of publications on behalf of customer agencies.

- **General Fund** accounts record financial transactions arising under annual congressional appropriations. GPO operates two major programs that are financed in this manner: the Salaries and Expenses Appropriation and the Congressional Printing and Binding Appropriation.

The Salaries and Expenses Appropriation account records transactions for expenses incurred by the Superintendent of Documents for depository library distributions, international exchange distributions, other statutory distribution of publications, and for the cataloging and indexing of government publications.

The Congressional Printing and Binding Appropriation account is used to record printing and binding performed for Congress and for printing and binding publications authorized by law to be distributed without charge to recipients.

To the extent feasible, general and administrative expenses have been allocated among the various expense categories based on the estimated level of effort associated with each program.

D. Revenue Recognition and Expended Appropriations

- **In-house Printing and Binding** – By law, GPO must be reimbursed for printing and binding services by the customer agency. Consequently, all Revolving Fund revenues from in-house printing and binding work (work not commercially procured) are recognized on a value-added basis, *i.e.*, as work is performed.

- **Commercially Procured Printing and Binding** – Revolving Fund revenues from commercially procured printing and binding are recognized on the date the contract requirements are fulfilled, which is generally the date of shipment by the commercial contractor to the requesting agency.

- **Distributing or Selling Publications** – Revolving Fund revenues from distributing or selling publications are recognized when the publications have been shipped or when the services have been performed.

- **Appropriation Revenues** – Appropriation revenues are recorded when the qualifying expenses are incurred. The amount of appropriations expended and the programs funded by appropriations are presented in Note 12B. Unexpended appropriations are recorded as a component of Equity of U.S. Government (see Note 12C). Appropriation balances are canceled after 5 years.

- **Deferred Revenues** - Deferred revenues result from the receipt of customer remittances for products or services that will be delivered or provided in the future. Deferred revenues are classified into the following categories: deferred subscription revenue, customer deposits-held on account, customer deposits-unfilled orders, and advance billings to Federal agencies (see Note 7).

“Deferred subscription revenue” represents the value of the subscription service that has not yet been provided for products such as the *Congressional Record*, the *Federal Register*, and the *Commerce Business Daily*. The category, “Customer deposits-held on account,” represents amounts received from customers for deposit in pre-established accounts to provide the customer the convenience of sending periodic payments to pay for publications ordered, rather than remitting payments for every item ordered. “Customer deposits-unfilled orders” represents funds received for publications not available for immediate shipment. Revenue for these transactions will be recognized at the time the products (subscriptions, publications, etc.) are delivered. Finally, “Advance billings to Federal agencies” are advance payments made by agencies to cover the cost of producing large printing orders. This revenue is recognized as work is completed.

E. Funds with U.S. Treasury

Funds with U.S. Treasury represent all unexpended balances in GPO's accounts with the Department of the Treasury. A breakdown of items included in GPO's funds with the U. S. Treasury as of September 30, 2000 and 1999 follows.

| (Dollars in thousands) | | |
|---------------------------------------|------------------|------------------|
| | 2000 | 1999 |
| Revolving fund | \$176,528 | \$122,155 |
| Appropriations by fiscal year: | | |
| 1995 | - | 5,030 |
| 1996 | 5,698 | 8,257 |
| 1997 | 11,318 | 12,840 |
| 1998 | 1,747 | 3,329 |
| 1999 | 1,544 | 23,604 |
| 2000 | 27,786 | - |
| Total appropriations | 48,093 | 53,060 |
| On-hand and in-transit | 248 | 557 |
| Total | \$224,869 | \$175,772 |

In 1997, the U.S. General Accounting Office (GAO) defined restricted funds with U.S. Treasury for GPO as funds with U.S. Treasury held for customer deposit accounts and employees' accrued salaries and annual leave. These funds cannot be used other than for those specific purposes. GPO had restricted funds with U.S. Treasury of \$84.0 million and \$67.0 million at September 30, 2000 and 1999, respectively. Also, the agreement between GPO and the Census Monitoring Board (CMB) provided for CMB funds to be reported on GPO's Treasury statements. GPO's "Year end Closing Statement" (TFS 2108) included \$2,464,000 in unexpended CMB appropriations that have been excluded from GPO's financial statements.

All appropriated funds were either expended or obligated at September 30, 2000 and 1999 (See note 12).

F. Inventories

The components of inventories as of September 30, 2000 and 1999 are as follows.

| | (Dollars in thousands) | |
|--|------------------------|-----------------|
| | 2000 | 1999 |
| Publications for sale | \$11,520 | \$11,971 |
| Allowance for surplus publications | (2,643) | (2,532) |
| Publications for sale, net | 8,877 | 9,439 |
| Paper | 4,874 | 5,126 |
| Materials and supplies | 8,984 | 9,350 |
| Allowance for obsolescence | (2,068) | (2,094) |
| Paper, materials, and supplies, net | 11,790 | 12,382 |
| Inventories, net | \$20,667 | \$21,821 |

Inventories of publications held for sale are valued at the lower of cost, using the weighted average cost method, or market, and are shown net of an allowance for surplus publications. The allowance for surplus publications is established for the estimated value of potentially obsolete or excess publications held in inventory.

Paper, materials, and supplies inventory includes the cost of production material (e.g., blank paper, spare parts, ink, and book cloth), as well as the cost of administrative-use supplies. This inventory is valued at the lower of cost, using the weighted moving average cost method, or market, net of an allowance for materials and supplies obsolescence. There is no provision for paper obsolescence due to the frequency of use.

G. Property, Plant, and Equipment

Property and equipment purchases and additions are valued at cost. Printing equipment transferred to GPO from other Federal agencies is valued in accordance with JCP Regulation Number 26, *Government Printing and Binding Regulations*. This valuation approximates fair market value.

Major alterations and renovations are capitalized while normal maintenance and repair costs are expensed as incurred. Depreciation and amortization of property and equipment is calculated on a straight-line basis over their respective estimated useful lives. The range of estimated useful lives of GPO assets is as follows.

| Category | Estimated Useful Life |
|--------------------------------|-----------------------|
| Buildings and improvements | 42 to 50 years |
| Plant machinery and equipment | 5 to 20 years |
| Office machinery and equipment | 5 years |
| Computer hardware | 5 years |
| Computer software | 3 years |
| Furniture and fixtures | 5 years |
| Vehicles | 3 to 6 years |

Leasehold improvements are amortized over the lesser of their useful lives or lease terms.

Beginning with fiscal year 1999, GPO increased the threshold for capitalizing assets from \$5,000 to \$25,000. Only those assets with acquisition values of \$25,000 or more are capitalized. The impact of this change on the fiscal year 1999 statements was an increase in materials and supplies expense of about \$120,000.

H. Annual, Sick, and Other Types of Leave

Annual leave is accrued as a liability when earned, and the liability is reduced when leave is used. Each year the annual leave liability is adjusted to reflect current pay rates. At September 30, 2000, the liability for accrued annual leave was \$10,449,000 compared with \$10,542,000 at September 30, 1999.

Sick leave and other types of non-vested leave are expensed when used. There is no limit on the amount of sick leave that may be accumulated, and no payment is made for unused sick leave.

I. Accounting for Intra-agency Activities

Other Federal agencies make financial decisions and report certain financial matters on behalf of the entire Federal government, including matters in which individual agencies may be an indirect party. Federal agencies are required to record or report only those financial matters for which they are directly responsible. Financial matters maintained or reported by other Federal agencies in which GPO is indirectly involved include employee benefit plans (see Note 3) and certain legal situations (see Note 10).

J. Statements of Cash Flows

The statements of cash flows identify cash receipts and payments and classify them into operating, investing, and financing activities. The disclosure of this information is intended to help assess the ability of GPO to generate funds from current operations, to identify financing acquired from outside sources, and to identify the major non-operating (investing) uses of funds. For purposes of these statements, cash is considered to be Funds with U.S. Treasury, as defined in Note 2E.

K. Workers' Compensation Liability

The Workers' Compensation Liability (WCL) is the estimated liability for future compensation and medical benefits that GPO will be obligated to pay. GPO discounted the value of estimated future payments to reflect the time value of money and increased future payments for estimated cost of living adjustments and consumer price index increases. The probability of future payments was based on historical benefit payment patterns combined with current information related to individual benefit claims. The estimated liability of \$36 million was increased by \$3.4 million in fiscal year 2000.

L. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements, and the amount of revenues and expenses reported during the reporting period. Actual results could differ from these estimates.

M. Reclassification of Fiscal Year 1999 Balances

Certain reclassifications have been made to fiscal year 1999 balances to present them consistently with the fiscal year 2000 financial statements.

3. Employee Benefit Plans:

GPO funds a portion of pension contributions for its employees under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), and also makes payroll deductions from employees for their pension contributions. The required employer contributions are established by the U.S. Office of Personnel Management (OPM). OPM is responsible for government-wide reporting of FERS and CSRS assets, accumulated plan benefits, and unfunded liabilities. Therefore, GPO is not required to disclose the unfunded pension liability and post-employment benefits relative to its employees.

A. Civil Service Retirement System

The majority of GPO's employees were covered by the CSRS, a defined benefit plan, during fiscal years 2000 and 1999. Total GPO (employer) contributions to CSRS for employees covered under this retirement program were 9.01 percent in both fiscal years 2000 and 1999 for *Congressional Record* indexers, investigators, and law officers; and 8.51 percent in fiscal years 2000 and 1999, respectively, for all other employees. GPO's contributions were \$9.3 million and \$9.5 million for the fiscal years ended September 30, 2000 and 1999, respectively.

B. Federal Employees Retirement System

On January 1, 1987, the FERS commenced pursuant to Public Law 99-335. Using Social Security as a base, the FERS provides a defined benefit plan (Basic Benefit Plan) and a voluntary (defined contribution) plan. Employees hired after December 31, 1983, were

automatically covered by FERS and Social Security, while employees hired prior to January 1, 1984, were able to choose between joining this plan or remaining in CSRS. Unlike CSRS, FERS offers the Federal government's Thrift Savings Plan (TSP), which requires GPO to contribute 1 percent of an enrolled employee's base pay, and additionally to match voluntary employee contributions up to 4 percent of base pay.

In both fiscal years 2000 and 1999, GPO (employer) contributions to FERS were 15.4 percent for *Congressional Record* indexers; 23.3 percent for investigators and law officers; and 10.7 percent for all other employees covered under this plan. Total GPO contributions were \$5.1 million and \$4.9 million in fiscal year 2000 and 1999, respectively. The TSP requires GPO to contribute 1 percent of an enrolled employee's base pay, and additionally to match voluntary employee contributions up to 4 percent of base pay. Additional contributions of GPO's share to the TSP for the year ended September 30, 2000 was \$1.9 million, and \$1.7 million in fiscal year 1999.

C. Social Security System

GPO matches contributions to the Social Security Administration (SSA) under the Federal Insurance Contributions Act (FICA). For employees covered by FERS, GPO contributes matching amounts of 6.2 percent of gross pay (up to \$76,200) to SSA's Old Age, Survivors, and Disability Insurance (OASDI) Program. Additionally, GPO makes matching contributions for all employees of 1.45 percent of gross pay to SSA's Medicare Hospital Insurance Program. Payments to these programs for the years ended September 30, 2000 and 1999 totaled \$5.7 million and \$5.6 million, respectively.

D. Pension and Other Post-Employment Benefits Provided by Others

FASAB Statement of Federal Financial Accounting Standards No. 5, *Accounting for Liabilities of the Federal Government*, requires federal agencies to follow Federal Accounting Standards to recognize their share of the "normal cost" of pension and other post-employment benefits provided by others. To the extent that normal costs exceed current contributions, the standard requires that an additional expense be recognized, or offset, by imputed funding.

As allowed by the FASAB, GPO has historically elected to prepare its financial statements on the basis of commercial enterprise generally accepted accounting principles and accordingly has reflected only the current cost of these programs in its financial statements since OPM is responsible for funding the normal cost component.

4. Accounts Receivable:

Accounts receivable as of September 30, 2000 and 1999, consists of the following.

| | (Dollars in thousands) | |
|---------------------------------|------------------------|-----------|
| | 2000 | 1999 |
| Federal Agencies: | | |
| Unbilled completed work | \$132,319 | \$126,997 |
| Unbilled work in process | 5,568 | 31,582 |
| Billed completed work | 8,376 | 6,608 |
| Subtotal | 146,263 | 165,187 |
| Other receivables: | | |
| The public | 604 | 597 |
| GPO employees | 1,132 | 1,065 |
| Subtotal | 1,736 | 1,662 |
| Total accounts receivable | 147,999 | 166,849 |
| Allowance for doubtful accounts | (1,793) | (2,834) |
| Total accounts receivable, net | \$146,206 | \$164,015 |

The majority of GPO accounts receivable are due from other Federal agencies. Unbilled completed work results from the delivery of goods or the performance of services for which bills have not been presented. At September 30, 2000, this balance included finished work for which invoices have not been prepared of \$35.4 million, unbilled commercial printing of \$72.0 million, and finished work of \$23.7 million that was collected via the U. S. Treasury's OPAC system in October 2000. At September 30, 1999, this balance included finished work for which invoices had not be prepared of \$24.9 million, unbilled commercial printing of \$64.9 million, and finished work of \$36.5 million that was collected via the U.S. Treasury's OPAC in October 1999.

Unbilled work in process represents the amount of work performed on customer orders as of September 30, 2000 and 1999, that, by law, must be reimbursed by GPO customers.

Employees' accounts receivable for fiscal year 2000 includes \$1,029,000 and \$93,000 owed by current and former employees, respectively, who were advanced leave. Leave indebtedness for employees is repaid in biweekly installments or by other GPO employees on their behalf, through the donated leave program. Employee's accounts receivable for fiscal year 1999 included \$971,000 and \$76,000 owed by current and former employees, respectively, who were advanced leave.

5. Property, Plant, and Equipment:

Property, plant, and equipment as of September 30, 2000 and 1999 consisted of the following.

| | (Dollars in thousands) | | | |
|---------------------------------|------------------------|---|---------------------------|---------------------------|
| | Acquisition Value | Accumulated Depreciation & Amortization | 2000 Net Book Value | 1999 Net Book Value |
| Land | \$9,977 | \$ - | \$9,977 | \$9,977 |
| Buildings | 8,656 | 8,656 | - | - |
| Subtotal | 18,633 | 8,656 | 9,977 | 9,977 |
| Building improvements | 55,495 | 40,051 | 15,444 | 17,044 |
| Leasehold improvements | 1,214 | 1,052 | 162 | 204 |
| Plant machinery and equipment | 75,348 | 52,894 | 22,454 | 23,781 |
| Office machinery and equipment | 17,592 | 12,911 | 4,681 | 6,204 |
| Computer software | 18,544 | 8,052 | 10,492 | 9,552 |
| Furniture and fixtures | 3,062 | 1,727 | 1,335 | 1,646 |
| Vehicles | 2,958 | 2,541 | 417 | 302 |
| Capital improvements in process | - | - | - | 1,092 |
| Software development in process | 3,030 | - | 3,030 | 3,572 |
| Subtotal | 177,243 | 119,228 | 58,015 | 63,397 |
| Total | \$195,876 | \$127,884 | \$67,992 | \$73,374 |

6. Accounts Payable and Accrued Expenses:

Accounts payable and accrued expenses as of September 30, 2000 and 1999 were composed of the following.

| | (Dollars in thousands) | |
|---|------------------------|----------|
| | 2000 | 1999 |
| Accounts payable: | | |
| Commercial printing | \$66,209 | \$62,056 |
| U.S. Government agencies | 12,758 | 11,849 |
| Other | 6,388 | 5,594 |
| Total accounts payable | 85,355 | 79,499 |
| Accrued salaries and wages | 11,177 | 10,328 |
| State and local payroll taxes | 766 | 750 |
| Total accounts payable and accrued expenses | \$97,298 | \$90,577 |

7. Deferred Revenues:

As of September 30, 2000 and 1999, deferred revenue consisted of the following.

| | (Dollars in thousands) | |
|--------------------------------------|------------------------|----------|
| | 2000 | 1999 |
| Deferred subscription revenue | \$11,922 | \$12,106 |
| Customer deposits-held on account | 61,956 | 45,343 |
| Customer deposits-unfilled orders | 1,241 | 1,960 |
| Advance billings to Federal agencies | 9,511 | 2,058 |
| Total | \$84,630 | \$61,467 |

“Customer deposits-held on account” totaling \$62.0 million at September 30, 2000, represents amounts received in advance from printing and binding customer agencies to cover future printing requirements of \$55.9 million; and, monies deposited, totaling \$6.1 million, by Sales of Publications Program customers to enable them to purchase publications without remitting cash with each order. Unused deposit account balances are refunded upon customer request.

8. Summary of Significant Assumptions for Workers' Compensation Liability:

Projected annual benefit payments have been discounted to present value using the Office of Management and Budget's (OMB) economic assumptions for 10-year Treasury notes and bonds. Interest rate assumptions utilized for discounting purposes in 2000 and 1999 were obtained from the Congressional Budget Office Web site as follows.

| | 2000 | 2001 | 2002 | 2003 | 2004 and thereafter |
|------|------|------|------|------|---------------------|
| 2000 | N/A | 6.80 | 5.80 | 5.80 | 5.80 |
| 1999 | 5.60 | 5.60 | 5.60 | 5.60 | 5.60 |

Wage inflation factors (cost of living adjustment, or COLA) and medical inflation factors (consumer price index for medical costs, or CPIM) were used to calculate the estimated future compensation and medical payments. Retention rates were developed using data obtained from the Bureau of Labor Statistics' Web site. This data was then analyzed to project future COLA and CPIM factors. A retention rate of 95 percent was applied to compensation claims and a retention rate of 84 percent was applied to medical claims.

The COLA and CPIM factors used to develop the estimated liability at September 30, 2000 follow.

| | 2001 | 2002 | 2003 | 2004 | 2005 and thereafter |
|-------------|--------------|--------------|--------------|--------------|---------------------|
| COLA | 1.84% | 1.70% | 1.57% | 1.45% | 1.45% |
| CPIM | 3.83% | 3.92% | 3.98% | 4.02% | 4.02% |

The future payments were estimated over the life expectancy of each claimant. The life expectancy rates were based on annuity tables to estimate the expected remaining life at the date of injuries of Federal retirees for determining pension benefits.

The Workers' Compensation Liability is approximately \$36.0 million and \$32.6 million at September 30, 2000 and 1999, respectively.

9. Commitments:

A. Operating Leases

As of September 30, 2000, GPO was committed to various non-cancelable operating leases, primarily covering warehouse, office, and retail space. Some of these leases contain escalation clauses and renewal options. A schedule of future minimum rental payments required under operating leases by type, which have initial or remaining non-cancelable lease terms in excess of one year follows.

| Fiscal Year | (Dollars in thousands) | | | |
|-------------------------------------|------------------------|----------------|---------------|-----------------|
| | Warehouse | Retail | Office | Total |
| 2001 | \$ 1,615 | \$ 404 | \$ 273 | \$ 2,292 |
| 2002 | 1,642 | 354 | 174 | 2,170 |
| 2003 | 1,642 | 155 | 89 | 1,886 |
| 2004 | 1,586 | 79 | 83 | 1,748 |
| 2005 | 964 | 67 | 83 | 1,114 |
| 2006 and beyond | 241 | 17 | - | 258 |
| Total minimum lease payments | \$7,690 | \$1,076 | \$702 | \$9,468 |

Rent expense for the years ended September 30, 2000 and 1999, were \$6,044,000 and \$6,270,000, respectively.

B. Commitments on Undelivered Orders

Some of GPO's orders for goods and services have been placed, but have not been delivered at fiscal year-end. Total undelivered orders for all GPO activities were approximately \$110.9 million and \$127.4 million as of September 30, 2000 and 1999, respectively.

10. Contingencies:

Administrative proceedings, Legal actions, and Claims

GPO is a party to various administrative proceedings, legal actions, and claims brought by or against it. In the opinion of GPO management and legal counsel, the ultimate resolution of these proceedings, actions, and claims will not materially affect the financial position or results of operations of GPO.

Occasionally, GPO may be the named party, but another agency may administer and litigate the case. Amounts to be paid under any decision, settlement, or award pertaining thereto may be funded by those agencies. In most cases, tort claims are administered and resolved by the U.S. Department of Justice, and any amounts necessary for resolution are obtained from a Special Judgment Fund maintained by the Department of the Treasury. Amounts paid from this fund on behalf of the GPO were \$85,000 and \$375,600 for the years ended September 30, 2000 and 1999, respectively, and are not reflected in the GPO's consolidated financial statements.

11. Revolving Fund:

A. Cumulative Results of Operations

Cumulative results of operations for the Revolving Fund include net operating results since its inception, reduced by funds returned to the Department of the Treasury by legislative rescissions, and by transfers to other Federal agencies.

B. Invested Capital

Invested Capital represents Federal government resources directly appropriated to GPO by Congress to invest in GPO assets, primarily in land, buildings, equipment, and working capital. The Revolving Fund was established in 1953 with appropriated funds of \$33.8 million, and buildings and land with a fair market value of \$415,000. Subsequently, Congress provided additional funding to GPO of \$75.5 million for working capital (\$58 million since 1953) and land and other improvements (\$17.5 million since 1971).

Increases to Invested Capital are also recorded when printing equipment is donated to GPO. Invested Capital is reduced over the useful life of the donated asset or when retired. The net book value of assets donated to GPO from other agencies was \$249,000 and \$314,000 in fiscal years 2000 and 1999, respectively.

The Revolving Fund received appropriations totaling \$12.9 million during the 1970's for an air-conditioning system that was recorded as Invested Capital. Invested Capital is reduced annually by \$444,000 to reflect the air-conditioning system's depreciation. In fiscal year 1998, Congress authorized that up to \$11,017,000 of GPO's Invested Capital to be used to

supplement the 1998 Congressional Printing and Binding Appropriation. Based on fiscal year 1998 expenditures and obligations, and an estimate of funding required to complete all work obligated during the year, GPO transferred \$3,748,000 to the 1998 Congressional Printing and Binding Appropriation, which was recorded as a reduction in Invested Capital in fiscal year 1998. In fiscal year 1999, due to greater than anticipated requirements for Congress's 1998 printing and binding, GPO transferred an additional \$3.3 million from GPO's Revolving Fund to the 1998 Congressional Printing and Binding Appropriation to fund the completion of work.

C. Summary of Revolving Fund Activity

Below is a summary of activity for the Revolving Fund portion of Equity of U.S. Government in fiscal years ended September 30, 2000 and 1999. See Note 12 for Appropriated Funds summary.

| | (Dollars in thousands) | | |
|---|--|---------------------|----------------------------|
| | Cumulative Results of Operations | Invested Capital | Total Revolving Fund |
| Revolving Fund balance, September 30, 1998 | \$100,045 | \$96,143 | \$196,188 |
| Donated equipment, net | - | (83) | (83) |
| Reclassification to transfer depreciation expense for air-conditioning system | - | (444) | (444) |
| Fund transfer from Revolving Fund to Congressional Printing and Binding Operations | - | - | - |
| Net loss for fiscal year ending September 30, 1999 | (5,045) | - | (5,045) |
| Revolving Fund balance, September 30, 1999 | \$95,000 | \$95,616 | \$190,616 |
| Donated equipment, net | - | (65) | (65) |
| Reclassification to transfer depreciation expense for air-conditioning system | - | (444) | (444) |
| Fund transfer from Revolving Fund to Congressional Printing and Binding Operations | - | - | - |
| Net loss for fiscal year ending September 30, 2000 | (115) | - | (115) |
| Revolving Fund balance, September 30, 2000 | \$94,885 | \$95,107 | \$189,992 |

12. Appropriated Funds:

A. Available Appropriations

Total net appropriations made available, after rescission, for fiscal years ending September 30, 2000 and 1999, were \$73,297,000 and \$74,465,000 for Congressional Printing and Binding, respectively, and \$29,872,000 and \$29,264,000 for Salaries and Expenses of the Superintendent of Documents.

B. Expended Appropriations

Expended appropriations for program operations for the years ending September 30, 2000 and 1999, were as follows.

| | (Dollars in thousands) | |
|---|------------------------|------------------|
| | 2000 | 1999 |
| Congressional printing and binding: | | |
| Congressional Record products | \$21,179 | \$18,688 |
| Miscellaneous publications and printing and binding | 19,188 | 18,271 |
| Hearings | 18,954 | 14,121 |
| Bills, resolutions, and amendments | 5,173 | 11,795 |
| Details to Congress | 2,332 | 2,593 |
| Other | 14,238 | 11,086 |
| Total congressional printing and binding | 81,064 | 76,554 |
| Salaries and expenses: | | |
| Depository library distribution | 25,873 | 29,338 |
| Cataloging and indexing | 2,900 | 2,755 |
| By-law distribution | 677 | 618 |
| International exchange | 533 | 452 |
| Total salaries and expenses | 29,983 | 33,163 |
| Total expended appropriations | \$111,047 | \$109,717 |
| Reconciliation of expended appropriations to the consolidated statements of revenues and expenses: | | |
| Total expended appropriations | \$111,047 | \$109,717 |
| Eliminations (Intra-agency) | (753) | (808) |
| Consolidated revenues from appropriations | \$110,294 | \$108,909 |

C. Unexpended Appropriations

As of September 30, 2000, GPO had obligated services for the unexpended appropriations for the Congressional Printing and Binding of \$26,012,000, and Salaries and Expenses of \$15,867,000, for a total of \$41,879,000. At September 30, 1999, these amounts were \$33,779,000 and \$15,977,000, totaling \$49,756,000.

13. Concentration of Credit Risk:

GPO financial instruments, none of which are held for trading purposes, consist primarily of cash and cash equivalents, accounts receivable, and accounts payable at September 30, 2000 and 1999. GPO estimates the fair value of financial instruments at September 30, 2000 and 1999 to be the carrying value. Cash and cash equivalents are held by the U.S. Treasury, accounts receivable are primarily due from various U.S. Government agencies, and accounts payable are primarily due to various commercial vendors.

14. Major Customers:

GPO's primary customers are Federal agencies. Revenues from those customers representing 10 percent or more of GPO's revenues are as follows.

| | (Dollars in thousands) | | | |
|-----------------------------|------------------------|---------|-----------|---------|
| | 2000 | | 1999 | |
| | Amount | Percent | Amount | Percent |
| Department of Defense | \$136,376 | 16.9% | \$130,027 | 17.0% |
| Department of U.S. Treasury | \$102,509 | 12.7% | \$98,495 | 12.9% |
| Congress | \$81,064 | 10.0% | \$76,554 | 10.0% |